

## Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 08104 021703Z

54

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 /112 W

----- 118626

R 012141Z JUL 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3814

INFO AMEMBASSY OTTAWA

LIMITED OFFICIAL USE CARACAS 8104

E.O. 11652: N/A

TAGS: ENRG, VE, CA

SUBJECT: VENEZUELA-CANADA PETROLEUM RELATIONS AND THE ORINOCO  
HEAVY OIL BELT

1. VALENTIN HERNANDEZ, MINISTER OF MINES AND HYDROCARBONS,  
RETURNED TO VENEZUELA ON JUNE 26 AFTER A VISIT OF APPROXI-  
MATELY ONE WEEK IN CANADA. HERNANDEZ WAS ACCOMPANIED BY  
SEVERAL MINISTRY OFFICIALS AND A DIRECTOR OF PETROVEN - THE  
HOLDING COMPANY FOR THE NATIONALIZED OIL INDUSTRY.

2. IN COMMENTS TO THE PRESS, HERNANDEZ CALLED FOR ESTABLISH-  
MENT OF A "VAST" PROGRAM OF COOPERATION IN PETROLEUM MATTERS,  
LEADING PERHAPS TO A NEW HEMISPHERIC POLICY IN PETROLEU.  
HE SAID THAT INITIALLY IT HAD BEEN AGREED THAT AN EXCHANGE OF  
MISSIONS WOULD TAKE PLACE - ONE WITH THE MINISTRY AT A POLITICAL  
LEVEL AND ONE WITH PETROVEN AT ECONOMIC AND TECHNICAL LEVEL.  
DR. ALIRIO PARRA, THE PETROVEN DIRECTOR WHO ACCOMPANIED HERNANDEZ  
TOLD THE REPORTING OFFICER THAT VENEZUELA IS PRINCIPALLY IN-  
TERESTED IN COOPERATION WITH CANADA IN HEAVY OIL TECHNOLOGY -

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 08104 021703Z

A FIELD IN WHICH BOTH CANADA AND VENEZUELA HAVE EXPERIENCE

AND WHICH BOTH HAVE A NEED TO DEVELOP FURTHER IN VIEW OF THEIR HEAVY OIL RESOURCES. PARRA IMPLIED THAT THERE COULD BE A MUTUAL EXCHANGE, RATHER THAN JUST A ONE WAY FLOW OF TECHNOLOGY FROM CANADA.

4. PARRA SAID THAT VENEZUELA'S MAIN INTEREST IS TO DEVELOP THE ORINOCO HEAVY OIL BELT. ALTHOUGH HE EXPECTED THAT COOPERATION WITH CANADA WOULD BE BASED ON AN ARRANGEMENT AT THE OFFICIAL LEVEL, IT WOULD NECESSARILY INVOLVE THE PARTICIPATION OF PRIVATE COMPANIES WHO HOLD THE TECHNOLOGY. IN ADDITION TO AN ARRANGEMENT WITH CANADA, PARRA SAID THAT VENEZUELA WOULD ALSO WANT TO DEAL DIRECTLY WITH SHELL, EXXON, AND OTHER INTERNATIONAL PETROLEUM COMPANIES WHO HAVE VAST EXPERIENCE IN HEAVY OIL TECHNOLOGY. PARRA SAID THAT PLANS HAVE BEEN PROPOSED FOR DEVELOPMENT OF HEAVY OIL TECHNIQUES IN COOPERATION WITH OTHER COUNTRIES AND WITH COMPANIES WHOSE QUALIFICATIONS ARE VERY DUBIOUS. HE RIDICULED SUCH EFFORTS AS A WASTE OF TIME. PARRA SAID THAT VENEZUELA COULD PROBABLY FINANCE A PROGRAM TO DEVELOP HEAVY OIL TECHNOLOGY IF IT WERE NOT IN EXCESS OF \$500 MILLION. BEYOND THAT HE THOUGHT VENEZUELA WOULD HAVE TO SEEK FINANCING ABROAD.

5. COMMENT - HERNANDEZ'S VISIT TO CANADA AND HIS INTEREST IN COOPERATION IN DEVELOPING HEAVY OIL TECHNOLOGY ARE PROBABLY DESIGNED TO DEVELOP AT LEAST A PARTIAL ALTERNATIVE TO RELIANCE ON THE INTERNATIONAL OIL COMPANIES FOR DEVELOPMENT OF THE ORINOCO HEAVY OIL BELT.  
ASENCIO

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, PETROLEUM PRODUCTION, MINISTERIAL VISITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CARACA08104  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760258-0026  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t197607100/aaaadkry.tel  
**Line Count:** 89  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 APR 2004 by greeneet>; APPROVED <13 APR 2004 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VENEZUELA-CANADA PETROLEUM RELATIONS AND THE ORINOCO HEAVY OIL BELT  
**TAGS:** ENRG, VE, CA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006